

Medicaid Reform Initiatives List and Implementation Update

January 2007

<i>Reform Initiative</i>	<i>Related Legislation</i>	<i>Implementation Date</i>	<i>Description</i>
√ New Benefit Plans and Foundation for Reform			
Creation of Medicaid Basic Plan and Medicaid Enhanced Plan	H776; HCR48	√ July 2006	Idaho has reformed the Medicaid program to better meet participants' health needs. Medicaid has developed new benchmark benefit plans called the Medicaid Basic Plan and Medicaid Enhanced Plan. The Enhanced Plan contains all benefits in the Basic Plan, plus additional benefits for persons with disabilities or other special health needs.
New Medicaid application implemented		√ July 2006	The Division of Welfare has undertaken a process of continuous improvement of the Application for Assistance (AFA). The AFA has been arranged and edited to reflect Medicaid reform and will undergo additional improvements to increase ease of use, including the development of an on-line version.
Health Questionnaire incorporated		√ July 2006	The new Health Questionnaire is a tool that allows Medicaid to assess health status and health behaviors of Medicaid participants on an annual basis. Medicaid participants over the age of 5 fill out the questionnaire at application and renewal. Answers to this questionnaire determine whether participants are eligible for certain interventions and supports, such as PHA benefits (see below).
Expedited Healthy Connections assignments		√ July 2006	Under Medicaid reform, the Healthy Connections enrollment process happens as part of eligibility determination and enrollment, rather than several weeks after the fact. The Department has created a new consolidated unit called Family Medicaid that manages this process. Family Medicaid includes both eligibility determination staff and Healthy Connections staff.
Plan assignments based on health needs		√ July 2006	Idaho Medicaid reform includes a new health risk assessment process that helps make sure that participants get the benefits that meet their health needs. At application and renewal, eligibility determination staff look for certain target criteria to determine health needs and proper plan placement. In addition, participants enrolled in the Basic Plan can be moved to the Enhanced Plan at any time during the eligibility period if a medical assessment determines that their health needs have changed.

√ Prevention & Wellness			
Well child exam reimbursement increase	Consistent with H776	√ July 2006	Idaho Medicaid has adjusted the reimbursement for well-child exam procedure codes to make them consistent with the commercial rates and to encourage and reward provision of necessary prevention services.
Adult routine annual health exam coverage		√ July 2006	Medicaid has added a wellness exam benefit for adults to encourage and support wellness and prevention.
Healthy Schools initiative		√Sept 2006	The Idaho Department of Health and Welfare and the State Department of Education are collaborating on a new program called Healthy Schools. This program provides preventive services and promotes child wellness in Idaho school districts that have a high percentage of low-income children and a low nurse-to-student ratio. Idaho Medicaid provides grant funding to assist eligible school districts with the salary expenses of registered nurses working in grantee schools.
Good Health Decisions			
Cost-sharing for families > 133% federal poverty guidelines	H776; HCR50	√Dec 2006	Medicaid participants with family incomes above 133% of federal poverty guidelines are now subject to monthly premium payments. These participants are all children eligible under Title XXI. Participants above 133% to 150% will begin paying \$10 per member, per month in December 2006.
Preventive Health Assistance for smoking cessation, weight loss	H663	√Jan 2007	Medicaid is creating new Preventive Health Assistance (PHA) benefits for individuals that indicate a desire to manage their weight or stop using tobacco. After signing up, Medicaid will give these participants a set of points to use for certain goods and services, such as weight loss programs, exercise programs, and tobacco cessation supports. After successful participation, Medicaid will give participants additional points to support ongoing healthy behaviors.
Premium Payment Assistance for up-to-date well child checks	H663	√Jan 2007	Medicaid has created a second type of PHA to encourage parents and guardians to keep their children current on well child checks and immunizations. For those children who are subject to premium payments and who are delinquent on payments, Medicaid will pay delinquent premiums if children are current on well child checks and immunizations.
Co-payments for certain Medicaid services	H663	Feb 2007	New rules allow hospitals to charge co-payments for non-emergent use of emergency rooms and ambulance providers to charge co-payments for inappropriate use. Co-pays for missed appointments are applied by physicians according to physician policy. Co-pays on non-preferred prescription drugs are unnecessary due to effectiveness of preferred drug list.

Strengthen Employer-Based Health Insurance			
Remove financial specification for employer contributions to spouse premiums in Access to Health Insurance program	S1417	√Dec 2006	Medicaid's Access to Health Insurance program for adult employees and their spouses has experienced low enrollment partly due to the fact that the waiver authorizing the program requires participating employers to contribute 50% of spouse premiums. This is a higher requirement than carriers' requirements, making premium assistance participation too expensive for employers, and has become a barrier to enrollment in the premium assistance program. Medicaid has received federal approval of the waiver amendment to remove this requirement.
Allow all Medicaid-eligible individuals to choose premium assistance as an alternative to direct coverage	S1417		On hold. Medicaid has proposed to expand the Access Card option for premium assistance to all children and working-age adults who would prefer to enroll in commercial insurance over Medicaid. However, the DRA requires that "mandatory" eligibles have coverage of certain services not typically covered by commercial health insurance. Also, this change would require use of Title XIX funds but Medicaid is unable to demonstrate budget neutrality without 1115 waiver authority.
Allow currently insured individuals to enroll in premium assistance	Health Care Task Force		On hold. Children and adults who are interested in and meet the income requirements for premium assistance programs may not enroll if they are already enrolled in commercial health insurance. Thus, individuals who would otherwise be eligible for support in purchasing commercial health insurance have an incentive to drop coverage so that they may become eligible for direct coverage at some later date (in the case of children) or are simply unable to get support for purchase of commercial insurance (in the case of adults). Idaho Medicaid proposes to remove the "uninsured" requirement. However, this change would require use of Title XIX funds, and Medicaid is unable to demonstrate budget neutrality without 1115 waiver authority.
Opportunities for Employment			
Medicaid for workers with disabilities ("Medicaid Buy-In")	H664	√Jan 2007	This reform alleviates disincentives to work by allowing workers with disabilities to retain or access Medicaid coverage. Prior to authorization of this reform, many Medicaid participants with disabilities could not afford to enter the workforce due to the fear of losing necessary medical services received through Medicaid. Individuals with disabilities who work can now continue to be eligible for Medicaid. These workers will have cost sharing responsibilities if their income exceeds 133% of the Federal Poverty Guidelines.

Empower Individuals to Manage Their Own Lives			
Consumer direction (Self-Determination)	HCR12 (2005)	√Dec 2006	This program implements self-directed community supports modeled after the National Cash and Counseling Demonstration. Self-Directed Community Supports is a flexible program option for participants eligible for the Home and Community-Based Services - Developmental Disabilities Waiver. The Self-Directed Community Supports option allows eligible participants to choose the frequency of the supports they want, to negotiate the rate of payment, and to hire the person or agency they prefer to provide those supports.
Collaborate on family-directed care	H849	√Research phase	H849, the medical assistance appropriations legislation for state fiscal year 2007, directs the Department to “enter into discussions with the Council on Developmental Disabilities, parents and guardians, and other stakeholders to study the feasibility of providing parent-directed and guardian-directed care for children with developmental disabilities similar to the effort made on behalf of adults with developmental disabilities for self-determination.” Medicaid is researching options for family-directed care and will report research results and any recommendations to the 2007 Legislature.
Savings & Efficiencies			
Best price negotiated for incontinence supplies	HCR51	√July 2006	Medicaid has developed a process for acquisition of medical products and supplies at one negotiated best price for all providers. This process also maintains quality standards and access standards for those supplies. Medicaid has begun implementation of this purchasing strategy with incontinence supplies.
Multi-state purchasing pool for pharmacy pricing	HCR50	√ Oct 2006	By joining “TOP\$”, a multi-state drug purchasing pool, Medicaid will enhance supplemental rebates received from pharmaceutical manufacturers. TOP\$, or The Optimal Preferred Drug List Solution, is the state Medicaid pharmaceutical purchasing pool started by Provider Synergies for Louisiana, Maryland and West Virginia in May 2005. Delaware, Idaho, Wisconsin and Pennsylvania have joined more recently.
Pay for Performance pilot: diabetes	H776	√ July 2006	Idaho Medicaid has partnered with the Family Medicine Residency of Idaho and the Idaho Primary Care Association to develop a pay-for-performance pilot program focusing on management of chronic diseases. This program will begin by focusing on best practices in the care of diabetes, and will expand later to care of asthma, cardiovascular disease, and depression. The program utilizes recognized standard clinical criteria that reflect best clinical practices and will adjust reimbursement to reward these care practices.

Savings and Efficiencies (continued)			
Transportation brokerage	HCR51	Summer 2007	Idaho Medicaid is establishing a commercial transportation brokerage pilot program in order to save funds and expand access to transportation services. The brokerage will contract with transportation <i>systems</i> rather than multiple individual providers of transportation services. The brokerage will match riders with appropriate transportation providers through a central trip-request and administrative facility. This program will pilot in Region 6.
Dental plan outsourcing	HCR51	Summer 2007	Idaho Medicaid proposes to contract with a dental benefits administrators based on the ability of contractors to retain and recruit dental providers, conduct outreach to Medicaid participants, and coordinate, manage and reimburse dental services for Medicaid participants. Anticipated outcomes of this outsourcing effort include increasing the percentage of Medicaid participants who receive dental services, shifting the types of dental services received toward preventive care and away from major restorations, and improving the overall level of oral health among Medicaid participants.
Medicare enrollment as a condition for Medicaid eligibility	HCR53	Sine Die 2007	Medicaid's role as a state-administered public health coverage program is to be the payer of last resort for eligible participants who have other health coverage available to them. The Department now requires that individuals who are dually eligible for Medicare and Medicaid must enroll in Medicare as a condition of eligibility for Medicaid. This requirement will reduce use of state general fund dollars without reducing benefits for affected individuals.
Coordination with Medicare			
Integrate benefits/administration with Medicare Plans	HCR49	April 2007	Medicaid is in the process of developing a benefit plan that integrates Medicare and Medicaid benefits for individuals who are dually eligible for both programs. This benefit plan, called the Medicare-Medicaid Coordinated Plan, will provide full dual-eligibles the option of enrolling in an integrated benefits program offered by participating Medicare Advantage Plans. Financing Medicaid coverage for these individuals through participating Medicare Advantage Plans will result in more coordinated care and delivery of benefits.

Non-Public Financing Options for Long-Term Care (LTC)			
Aging Connections pilot	HCR52	√ Oct 2006	The Department and several agency partners will pilot the Aging Connections program in three Idaho communities. Aging Connections will provide long term care (LTC) options counseling in order to promote non-publicly financed LTC arrangements such as reverse mortgages and commercial LTC insurance. Aging Connections will serve as a critical information and referral resource for end-of-life care issues, including advanced directives.
Long Term Care (LTC) Partnership program	(Federal)	√ Nov 2006	Medicaid will strengthen LTC financing by participating in the Long-Term Care Partnership program, now that federal law allows all states to participate. Under this program, individuals who purchase commercial LTC insurance are able to protect a portion of their assets if they become eligible for Medicaid-financed LTC. The Medicaid program saves money under such partnerships because Medicaid becomes the payer after the policy benefits are exhausted; making Medicaid the payer of last resort, not the first.
Long term care (LTC) financing reforms: asset transfers and look-back period	(Federal)	√ Feb 2006	The DRA increased the look-back period for asset transfers from three to five years. The DRA also changed the “penalty period” to begin at the date of the Medicaid application or the date of the asset transfer, whichever is earlier. These changes strengthen Medicaid’s ability to finance long-term care.
Long term care (LTC) financing reforms: estate recovery	S1318	√ July 2006	Several statute changes have been made to strengthen Medicaid’s estate recovery program. Medicaid can now be a successor in probate, which allows the state to obtain personal property assets held by third parties (bank accounts, stocks, etc.) by affidavit. Medicaid has also clarified its claiming collection rights in spousal estate cases. In addition, Senate Bill 1318 also gave Medicaid the ability to foreclose estate liens in certain circumstances.
Other Idaho Medicaid Reforms			
Caregiver support benefits	H877		Pending outcome of application for Medicaid Transformation Grant funds. Idaho Medicaid has proposed to manage demand for long-term care by proactively supporting in-home family care-giving. Medicaid’s ability to support informal and family caregivers through respite care is currently restricted to Home- and Community-Based Services (HBCS) recipients. By expanding caregiver support options for those who provide care to the elderly and adults with disabilities who are at-risk for nursing home placement, Idaho Medicaid can support family caregivers, ensure delivery of patient-preferred non-institutional care, and avoid costs of premature institutionalization.

Other Idaho Medicaid Reforms (continued)		
Health information technology (HIT) adoption grants to providers	H738	Pending outcome of application for Medicaid Transformation Grant funds. Idaho Medicaid proposes to facilitate adoption of HIT through grants to selected Medicaid-participating providers. These grants are intended to increase the number of Medicaid providers who are participating or who are prepared to participate in the electronic health information exchange recommended by the Health Quality Planning Commission. This grant program will help to improve the efficiency, safety, and quality of patient care of Medicaid participants.
e-Pharmacy Program		Pending outcome of application for Medicaid Transformation Grant funds. Idaho Medicaid proposes to implement a web-based, HIPAA-compliant portal to assist providers in making appropriate prescribing decisions at the point of service. Components will include an electronic medical record, best practice guidelines and clinical alerts, access to the preferred drug list, prior authorization automation for non-preferred drugs, and the ability to generate electronic prescriptions that go directly to pharmacies. The portal will allow patients to access to the prescription information they need to be active participants in their care. This program will also reduce fraud and abuse, medical errors, dangerous drug interactions, duplicate therapies, waste, and administrative costs.
Pharmacy Therapeutic Consultation Program		Pending outcome of application for Medicaid Transformation Grant funds. The Pharmacy Therapeutic Consultation Program will reduce inappropriate and medically unnecessary drug therapy for Medicaid clients. Idaho Medicaid will evaluate participants for opportunities to simplify pharmaceutical care, correct inappropriate prescribing patterns, and promote cost-effective prescriptions. The program may also reduce the cost of care related to adverse health outcomes due to inappropriate drug therapies.